

## QUICK REFERENCE LINE INSTRUCTIONS FOR 2015 PIT-1

### New Mexico Personal Income Tax (PIT) Return

#### GENERAL INFORMATION

This Quick Reference for your *New Mexico Personal Income Tax* (PIT-1) Return is a summary to help you complete your PIT-1 faster. It is not intended to replace the full instruction set.

Depending on your tax situation and your understanding of the New Mexico tax laws, you may want to read the full instructions for some items. *What to Know and Do Before You Begin* gives a good overview and begins on page 18 of the full instructions. Detailed line instructions begin on page 21.

#### Who Must File the PIT-1 Return

New Mexico's law says every person with income from New Mexico sources required to file a federal income tax return must file a New Mexico PIT-1.

This includes non-residents with income from every New Mexico source, including wages, rents, royalties, businesses, and estates. Even foreign nationals and people who reside in states that do not have income taxes must file in New Mexico when they have income from any New Mexico source whatsoever and are required to file a federal return.

**IMPORTANT:** The tax year on your PIT-1 must match the tax year of your federal return. Do not file short year returns unless allowed by the Internal Revenue Code.

If you are a resident of New Mexico, you also must file a New Mexico return if any of the following are true:

- You want to claim a refund of any New Mexico state income tax withheld from your pay.
- You want to claim any New Mexico rebates or credits.

#### GETTING STARTED

Follow these steps before you start filling out your PIT-1:

1. Prepare your federal return. Even if you are not required to file a federal

return, it is easier to complete the PIT-1 after you fill out a sample federal return. Much of the information requested on the PIT-1 is the same.

2. Find out what other forms and schedules you are required to file. This depends on your residency status and your personal situation.

For a description of the various forms you may need, see *Required Forms and Attachments* in the full PIT-1 instructions on page 9. If you are claiming credits, see *Attachments Required to Claim Credits* on pages 13 and 14.

**IMPORTANT:** Submit only the original, official PIT-1 and schedules.

#### FILLING IN YOUR RETURN

Follow these guidelines to complete your PIT-1:

- Complete all required information. Do not leave any required fields blank.
- Leave blank all spaces and boxes that do not apply to you.
- Type or print using blue or black ink. Do not use a pencil.
- Round all numbers and enter only whole dollar amounts. For example, enter \$10.49 as \$10 and \$10.50 as \$11.
- Write numbers clearly and legibly.
- To show a loss, place a minus sign (-) immediately to the left of the loss amount. Do not use brackets or parentheses.

For details, see *Important Guidelines* on PIT-1 instructions, page 21.

#### TOP OF PAGE 1

Complete the top of page 1 of the PIT-1. If you are filing for a fiscal year, enter the month, day, and year your tax year began and the month, day, and year it ended.

#### LINES 1 AND 2

##### Name and Social Security Number

Clearly enter your name and social se-

curity number (SSN) and if applicable, the name and SSN of your spouse in exactly the same order as on your federal return. Even if you are married filing separately, your spouse's SSN is required.

#### No Social Security Number?

If you or your spouse do not have an SSN, you may be eligible for a federal Individual Taxpayer Identification Number (ITIN) from the IRS. For details about the ITIN and its requirements, see PIT-1 instructions, page 19.

Make sure all names and SSNs or ITINs are legible, complete, and correct.

#### Blind and 65 Years of Age or Older

If you or your spouse (if applicable) are blind for federal income tax purposes or age 65 years or older, mark **X** in the boxes.

**NOTE:** The Taxation and Revenue Department may request proof at a later date that you or your spouse, if applicable, are blind for federal purposes. Do not attach the proof to your return.

#### Residency Status and Date of Birth

Enter **R**, **N**, **F**, or **P** to indicate your residency status and, if applicable, your spouse's residency status. Use **R** for resident, **N** for non-resident, **F** for first-year resident, and **P** for part-year resident. For more information, see PIT-1 instructions, pages 2 to 4 and 21.

Enter date of birth in **MM/DD/CCYY** format. For example, if birth date was on December 8, 1946, enter 12/08/1946.

#### LINE 3 Address

Mark box 3a if your address on the PIT-1 has changed since your last filing. In 3b, clearly enter your address. Make sure your address is legible, complete, and correct.

If you have a foreign address, enter the street address, city name and postal code in the appropriate line. Also

complete the spaces for the foreign province and/or state and country. Follow the country's practice for entering the foreign postal code, the province or state, and country. Do not abbreviate the country name.

#### **LINE 4** **Deceased Taxpayer or Spouse and Any Claimant**

If the refund must be made payable to a person other than the taxpayer or spouse, on line 4a enter the claimant's name and on line 4b enter the claimant's SSN.

If the taxpayer or the spouse named on the return died before you file this return, on lines 4c and 4d, enter the date of death in **MM/DD/CCYY** format. For example, if the date of death was on February 15, 2015, enter 02/15/2015.

For more information, see *Representatives of Deceased Taxpayers* on PIT-1 instructions, page 5.

#### **LINE 5** **Exemptions**

Enter the number of exemptions allowed on your federal return for you, your spouse if filing a joint return, and your qualifying dependents. New Mexico uses the same definitions and qualifications as the IRS to determine if someone is your dependent. Add 1 exemption for each dependent you claim.

**IMPORTANT:** If you were or your spouse was a dependent or qualify as a dependent of another individual for federal income tax purposes, **whether or not** you or your spouse were claimed as a dependent on the other person's federal return, do not count the dependent spouse as an allowable exemption.

#### **LINE 6** **Extension of Time to File**

If you have a federal or New Mexico extension of time to file, mark **X** in box 6a and enter the date the extension expires in 6b.

If the federal extension was automatic, or if you received approval for a New Mexico extension, do **not** attach a copy of the extension request to your PIT-1. It is not necessary in this case.

#### **LINE 7** **Filing Status**

Show your filing status by marking **X** in the correct box. Use the same filing status on your state return that you used on your federal return. If you did not file a federal return, use the filing status you would have used for federal income tax purposes.

**Requirements for Items 3 and 4**  
If you mark **X** in item 3, *Married filing separately*, your spouse's name and SSN are required on lines 2a and 2b.

If you mark **X** in item 4, *Head of Household*, on the line below item 4, enter the name of the person who qualifies you as head of household if that person is a child and not eligible to be included as a qualified dependent exemption under federal regulations.

#### **LINE 8** **Dependents**

Enter the name, SSN, and date of birth of each dependent you reported on your federal return. If you have more than five qualifying dependents, use Schedule PIT-S to enter your additional dependents.

**IMPORTANT:** Only file Schedule PIT-S if you filled in the five dependent lines on PIT-1, line 8, and you need additional lines for more than five qualifying dependent exemptions.

To enter the dependent's date of birth, use **MM/DD/CCYY** format. For example, if your daughter was born April 1, 2002, enter 04/01/2002. For details about dependents, see PIT-1 instructions, page 23.

#### **LINE 9** **Federal Adjusted Gross Income**

Enter the federal adjusted gross income as reported on your federal form.

If you filed federal form	Enter the amount from
1040	Line 37
1040A	Line 21
1040EZ	Line 4

#### **LINE 9a** **Federal Net Operating Loss**

If the taxable income on your federal income tax return is zero or less, enter any federal net operating loss incurred for the tax year. Do not enter this amount as a negative. See the instructions for the federal return to determine the amount of the federal net operating loss incurred.

#### **LINE 10. Itemized State and Local Tax Deduction**

If you itemized your federal deduction amount, enter the amount of state and local tax deduction claimed on line 5, federal Form 1040, Schedule A. Do not complete this line if you did not itemize.

To determine the amount to enter on line 10, go to the PIT-1 instructions, page 24 and complete the *Worksheet for Computing the Amount on Line 10 of the PIT-1 Return*. A taxpayer who itemizes deductions on the 2015 federal income tax return is required to add back the amount of state and local tax deduction claimed on the federal return, but not below the standard deduction amount you would have qualified for had you not elected or been required to itemize on the federal return.

#### **LINE 11** **Total Additions to Federal Adjusted Gross Income**

If you completed Schedule PIT-ADJ, lines 1 to 5, enter the **Total Additions** from PIT-ADJ, line 5.

You are required to complete and attach Schedule PIT-ADJ if any of the following are true:

- You received interest and dividends from federally tax-exempt bonds.
- You have a federal net operating loss carryover.
- You had contributions refunded when closing a New Mexico-approved Section 529 college sav-

ings plan account.

- You had certain contributions rolled out of a New Mexico-approved Section 529 college savings plan account.
- You claimed a charitable deduction on federal Form 1040, Schedule A, for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were allowed the New Mexico land conservation tax credit.

For information about calculating the additions, see the 2015 PIT-ADJ instructions for lines 1 to 5.

#### **LINE 12 Federal Standard or Itemized Deduction Amount**

If you did not itemize deductions on your 2015 federal return, enter the allowable federal standard deduction from federal Form 1040, line 40, or from federal Form 1040A, line 24.

If you itemized deductions on your 2015 federal Form 1040, do the following:

- Enter the allowable federal itemized deductions you reported on Form 1040, line 40.
- Mark box 12a.

#### **Charitable Deduction of Land**

If you claim a charitable deduction in your federal itemized deductions on federal Form 1040, Schedule A, for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were approved for the New Mexico land conservation tax credit, you must add back the charitable deduction amount included in your itemized deductions on your federal Form 1040, Schedule A. To do this, add the charitable deduction amount to Schedule PIT-ADJ, line 4.

#### **If You File Federal Form 1040EZ**

Enter the amount from Form 1040EZ, line 5 on PIT-1, line 12. That amount includes both your standard deduction and your dependency exemption. In this case, line 13 (described next) is

blank.

#### **LINE 13 Federal Exemption Amount**

Enter your federal exemption amount from either of these federal forms:

- Form 1040, line 42  
**or**
- Form 1040A, line 26

**NOTE:** If you filed federal Form 1040EZ, leave line 13 blank. Your deduction for personal exemptions is included in the amount on line 12.

#### **LINE 14 New Mexico Low- and Middle- Income Tax Exemption**

A New Mexico income tax exemption is allowed for low- and middle-income taxpayers. All taxpayers, including residents, part-year residents, first-year residents, and non-residents may claim this exemption in full.

The maximum amount allowed is \$2,500 for each qualifying federal exemption. In this case, a qualifying federal exemption is the number of federal exemptions reported on PIT-1, line 5. The amount varies according to filing status and adjusted gross income.

To claim the exemption, the amount on PIT-1, line 9 must be equal to or less than any of the following:

- \$36,667 (if single)
- \$27,500 (if married filing separately)
- \$55,000 (if married filing jointly, qualified widow(er), or head of household)

To calculate the exemption, use *New Mexico Low- and Middle-Income Tax Exemption Worksheet* on PIT-1 instructions, page 25.

#### **LINE 15 Total Deductions and Exemptions from Federal Income**

If you completed Schedule PIT-ADJ, lines 6 to 22, on PIT-1, line 15, enter the **Total Deductions and Exemp-**

**tions** from PIT-ADJ, line 22.

You may complete and attach Schedule PIT-ADJ if any of the following are true:

- You have interest and dividend income on New Mexico state and local bonds.
- You have a New Mexico net operating loss carryover.
- You have interest income from U.S. Government obligations.
- You have Railroad Retirement income not taxable by New Mexico.
- You, your spouse, or both are members of an Indian nation, tribe, or pueblo and your income was wholly earned on the lands of the reservation or pueblo of which the individual is an enrolled member while domiciled on that land, reservation, tribe, or pueblo.
- You, your spouse, or both are age 100 or over **and** you are not dependents of another taxpayer.
- You, your spouse, or both are age 65 or over or blind, **and** your adjusted gross income is not over \$51,000 for a joint return; \$28,500 for a single taxpayer; or \$25,500 for married taxpayers filing separately.
- You have a New Mexico Medical Care Savings Account.
- You contribute to a New Mexico-approved Section 529 college savings plan.
- You have net capital gains for which you can claim a deduction of up to \$1,000 or 50% of your net capital gains, whichever is greater.
- You have armed forces wages or salary from active duty service. This includes active duty pay earned in New Mexico by non-resident U.S. Public Health Service (USPHS) members.
- You, your spouse, or both are age 65 or over, and you have unreimbursed or uncompensated medical care expenses of \$28,000 or more for yourself, your spouse, or dependents.
- You, your spouse, or dependents have expenses related to donat-

ing human organs for transfer to another person.

- You received a reimbursement from the New Mexico National Guard Service Member's Life Insurance Reimbursement Fund.
- You were required to include, in your federal adjusted gross income, taxable refunds, credits, or offsets of state and local income tax (federal Form 1040, line 10).

For information about calculating total deductions and exemptions, see the 2015 PIT-ADJ instructions for lines 6 to 21.

## **LINE 16**

### **Medical Care Expense Deduction**

If you file a New Mexico PIT-1, you may claim a deduction for medical care expenses paid during the tax year for medical care for you, your spouse, or a dependent. Eligible filers include out-of-state residents with income tax responsibility to New Mexico.

To determine the deduction amount to enter on PIT-1, line 16, use *Worksheet for Calculating Medical Care Expense Deduction* and the instructions beginning on page 26.

**IMPORTANT:** You must complete both lines 16 and 16a. If either are incomplete, the Department denies your deduction.

## **LINE 16a**

### **Unreimbursed and Uncompensated Medical Care Expenses**

Enter the qualifying unreimbursed and uncompensated medical care expenses you used to calculate your medical care expense deduction on PIT-1, line 16.

To determine qualifying expenses, see the line 16 instructions on page 26.

## **LINE 17**

### **New Mexico Taxable Income**

Add lines 9, 10, and 11, then subtract lines 12, 13, 14, 15, and 16. If the result is negative, enter zero. This is your

New Mexico taxable income.

## **Non-Residents Using Gross Royalty Income**

If you are a non-resident and you elect to calculate tax on **gross** royalty income under \$5,000 using special procedures, enter your **gross** royalty income from New Mexico sources. Also see *Royalty Income of Non-Residents* on PIT-1 instructions, page 5.

## **LINE 18**

### **New Mexico Tax**

Unless you qualify for Schedule CC, calculate your New Mexico tax by using one of these methods and then complete line 18a:

- If you have income from sources inside and outside New Mexico, use your entry on PIT-B, line 14.

**or**

- Use the rate tables from the full PIT-1 instructions, starting on page 1T.

**IMPORTANT:** When calculating your tax using the rate tables, make sure to use the taxable income amount on line 17.

## **Alternative Tax Schedule CC**

If you qualify to file Schedule CC, *Alternative Tax Schedule*, enter on line 18 only the amount from Schedule CC, line 3.

You qualify to file Schedule CC if you meet **all** the following requirements:

- You have no business activities in New Mexico other than sales.
- You do not own or rent real estate in New Mexico.

You have annual gross sales in or into New Mexico of \$100,000 or less.

## **Line 18a**

### **Rate Table Indicator**

In the box on line 18a, enter **R** or **B** to show the source for calculating your tax:

- **R** = rate tables
- **B** = Schedule PIT-B

**NOTE:** If you are a non-resident and elect to compute tax on gross royalty income less than \$5,000, enter

**Y** for gross royalty income. See *Non-Residents Using Gross Royalty Income* earlier on this page.

## **LINE 19**

### **Additional Amount for Tax on Lump-Sum Distributions**

If you received a lump-sum payment and you are using the special federal 10-year tax option on federal Form 4972, you are eligible to use New Mexico's averaging method. To calculate your New Mexico averaged tax, use *Worksheet for Calculating Tax on Lump-Sum Distributions* on PIT-1 instructions, page 28.

If you did not use the federal averaging methods available on federal Form 4972, you are not eligible to use the New Mexico averaging method.

**IMPORTANT:** If you used Schedule PIT-B to calculate your New Mexico tax liability on line 18 and also used the federal special tax option and New Mexico averaging methods to calculate tax on a lump-sum distribution on line 19, **DO NOT** add line 19 when completing PIT-1, line 22 as stated on the form. The New Mexico portion of line 19 (lump-sum distribution) is included in Schedule PIT-B, line 14.

To calculate your Net New Mexico Income Tax, follow the special steps given for line 22.

## **LINE 20**

### **Credit for Taxes Paid to Another State**

A **resident** of New Mexico who must pay personal income tax to another state on income that is also taxable in New Mexico may take a credit against New Mexico tax for tax paid to the other state. To determine if you qualify, see PIT-1 instructions, page 30.

## **LINE 21**

### **Business-Related Income Tax Credits Applied**

If you are eligible to claim one or more of the following non-refundable credits, or if you are claiming any refundable business-related tax credits that may



be applied to your income tax due, enter the amount from PIT-CR, line A, and attach the completed PIT-CR to your PIT-1:

- Affordable Housing Tax Credit,
- Angel Investment Credit,
- Agricultural Water Conservation Tax Credit,
- Advanced Energy Tax Credit,
- Agricultural Biomass Income Tax Credit,
- Business Facility Rehabilitation Credit,
- Blended Biodiesel Fuel Tax Credit,
- Cancer Clinical Trial Tax Credit,
- Electronic Card-Reading Equipment Tax Credit,
- Geothermal Ground-Coupled Heat Pump Tax Credit,
- Job Mentorship Tax Credit,
- Land Conservation Incentives Credit,
- Preservation of Cultural Property Credit,
- Rural Job Tax Credit,
- Rural Health Care Practitioners Tax Credit,
- Solar Market Development Tax Credit,
- Sustainable Building Tax Credit,
- Technology Jobs (Additional) Tax Credit,
- Technology Jobs and Research and Development (Additional) Tax Credit,
- Veterans Employment Tax Credit
- Film Production Tax Credit, and
- Renewable Energy Production Tax Credit.

For information about these credits, see the instructions for PIT-CR.

#### **LINE 22**

##### **Net New Mexico Income Tax**

To find your net New Mexico income tax in all cases, except the situation described next, do the following:

1. Add lines 18 and 19.
2. Add lines 20 and 21.

3. From the result of step 1, subtract the result of step 2. This amount cannot be less than zero.

##### **Calculation When Using PIT-B and Claiming Additional Amount of Tax on Lump-Sum Distributions**

Although line 22 says to add line 19, do not add line 19 if both of the following are true:

- For line 18, you used Schedule PIT-B to calculate your New Mexico tax liability.
- You used the New Mexico averaging method to calculate tax on a lump-sum distribution for line 19.

If both are true, calculate your Net New Mexico Income Tax for line 22 by following these steps:

1. Add lines 20 and 21.
2. From the amount on line 18, subtract the result of step 1.

In this case, you do not add PIT-1, line 19 when completing PIT-1, line 22. The New Mexico part of line 19 (lump-sum distribution) is already included in Schedule PIT-B, line 14.

#### **LINE 24**

##### **Total Claimed on Rebate and Credit Schedule**

If you claim any of the following special New Mexico rebates or refundable credits, complete and attach Schedule PIT-RC to your PIT-1:

- Low income comprehensive tax rebate
- Property tax rebate (for low-income persons 65 or older)
- Additional low income property tax rebate for Los Alamos or Santa Fe County residents
- Child day care credit
- Refundable medical care credit for persons 65 years of age or older
- Special needs adopted child tax credit

#### **LINES 25 and 25a**

##### **Working Families Tax Credit**

If you were a New Mexico resident during any part of 2015 and you file a

PIT-1, you may claim the working families tax credit. The credit is 10% of the earned income credit (EIC) for which you are eligible the same tax year.

The EIC is a refundable federal income tax credit for low income working individuals and families. The credit reduces the amount of federal tax you may owe and may increase your refund from the IRS.

If you qualify for the working families tax credit, and the credit exceeds your income tax liability for the tax year of the claim, you may receive a refund.

On line 25a, enter the amount of EIC you reported on your 2015 federal Form 1040, 1040A, or 1040EZ.

To find the entry for line 25, multiply the amount on line 25a by 0.10 (10%).

**IMPORTANT:** You must complete both lines 25 and 25a. If either are incomplete, the Department denies your deduction.

##### **For More Information**

To see all the requirements for claiming the EIC, read the rules in the federal 1040, 1040A, or 1040EZ tax packages or see IRS Publication 596, *Earned Income Credit (EIC)*. You may also read about the EIC on the IRS website at [www.irs.gov](http://www.irs.gov) and download the publication from the site.

#### **LINE 26**

##### **Refundable Business-Related Income tax credits**

From PIT-CR, line B, enter the total amount of your refundable part of the following tax credits.

- Film Production Tax Credit,
- Renewable Energy Production Tax Credit, and
- Technology Jobs and Research and Development (Additional) Tax Credit.

Line 26 line shows the refundable amount of business-related income tax credits you claimed on PIT-CR.

**LINE 27****New Mexico Income Tax Withheld**

Enter the total of all your New Mexico income tax withheld, other than income from oil and gas proceeds or PTE income, as shown on your annual withholding statements, including Form(s) W-2, W-2G, 1099, 1099-R, and 1099-MISC. Attach a copy of the forms to your PIT-1.

**Payments You Cannot Include**

Do not include income tax withheld from your share of the net income of a pass-through entity or from oil and gas proceeds.

Do not include any payment you made for gross receipts tax, withholding tax, compensating tax, or any other type of tax due to the State of New Mexico. These payments are not payments towards your personal income tax liability. They are not considered "tax withheld," "estimated," or "other" payments on your PIT-1.

**LINE 28****New Mexico Income Tax Withheld From Oil and Gas Proceeds**

Enter the total of all New Mexico income tax withheld from oil and gas proceeds as shown on your annual withholding statements, 1099-MISC, and RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*. Attach a copy of the forms to your PIT-1. For more information, see PIT-1 instructions, page 32.

**LINE 29****New Mexico Income Tax Withheld From a Pass-Through Entity**

Enter the total New Mexico income tax withheld from the net income of pass-through entities as shown on your annual withholding statements, 1099-MISC, and Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*. Attach a copy of the forms to your PIT-1.

An entity that has had tax withheld cannot pass a withholding statement directly to its owners, members, partners, or beneficiaries. The entity

must first file and report the tax withheld on its New Mexico income tax or annual information return. After filing and reporting the tax withheld, the entity may then pass the tax withheld to another entity by issuing the owner, member, partner, or beneficiary an annual withholding statement.

**LINE 30****2015 Estimated Income Tax Payments**

Enter the total of New Mexico estimated tax payments you made for 2015 as shown in your records. Include all of the following:

- Estimated payments you made with PIT-ES payment vouchers
- Your last installment, even if you pay it in 2016
- Overpayments from your 2014 return that you applied to your 2015 taxes

**Do Not Include These Payments**

Do not include any of the following payments:

- Extension payments you made with PIT-EXT payment vouchers
- Any return payments you made with PIT-PV payment vouchers
- PIT-PV or PIT-EXT payments you made through the Department website

**NOTE:** Report extension and return payments on line 31.

**DIFFERENT NAME OR SSN**

If you made any estimated payments using a different name or SSN, attach a schedule to your return showing how you made each estimated payment.

**LINE 31****Other Payments**

Enter the total payments you made toward your 2015 personal income tax liability that are not included on line 30, including:

- Extension payments you made with PIT-EXT payment vouchers
- Return payments you made with PIT-PV payment vouchers
- PIT-PV or PIT-EXT payments you made through the Department

website.

**LINE 32****Total Payments and Credits**

Add lines 24 through 31, and enter the total here.

**LINE 33****Tax Due/Amount You Owe**

If line 23 is greater than line 32, the difference is the amount of tax you owe. Subtract line 32 from line 23, enter the difference here.

**LINE 34****Penalty on Underpayment of Estimated Tax**

This line is only for taxpayers who owe an underpayment penalty. Leave the line blank in these situations:

- You do not owe an underpayment penalty.
- You owe an underpayment penalty and you want the Department to calculate the penalty for you.

If you want to calculate the penalty, enter the amount of penalty on the underpayment of estimated tax you owe.

For details about calculating penalty, see the instructions for PIT-ES, *Personal Income Estimated Tax Payment Voucher*.

**Department Process for Penalty Due**

The Department sends you a bill or if you are due a refund, reduces your refund by the amount of the penalty due.

**LINE 35****Special Method Allowed for Calculation of Underpayment of Estimated Tax Penalty**

You can use a special method if **both** the following are true:

- You owe penalty for underpayment of estimated personal income tax.
- You qualify for a special penalty calculation method, which reduces the amount of penalty due using the standard method of calculating the penalty.

### Indicate the Special Method

If both are true, enter 1, 2, 3, 4, or 5 in the box on line 35 to indicate the method you elect to calculate your underpayment penalty. To use the special penalty calculation, the Department requires you to complete and attach Form RPD-41272, *2015 Calculation of Estimated Personal Income Tax Underpayment Penalty*, to your PIT-1.

### When To Leave the Box Blank

Leave the box blank in these situations:

- You do not qualify for one of the special methods.
- You do not owe estimated tax using the standard method of calculating the underpayment of estimated tax penalty.

### LINE 36

#### Penalty

If you file late and owe tax, or if you do not pay the tax on or before the date your return is due, enter penalty here.

Calculate penalty by multiplying the unpaid amount due on line 33 by 0.02 (2%). Then multiply this product by the number of months or partial months for which your return or payment is late. The result cannot exceed 20% of the tax due.

If you want the Department to calculate the penalty for you, leave the line blank.

### LINE 37

#### Interest

If you do not pay the income tax due on or before the original due date of your return, even if you receive an extension of time to file, add interest.

If you want the Department to calculate interest for you, leave the line blank.

### Formula to Calculate Daily Interest

Tax due x daily interest rate for the quarter  
x number of days late = interest due

### Interest Changes Quarterly

The annual and daily interest rate for each quarter is posted on our website at [www.tax.newmexico.gov](http://www.tax.newmexico.gov).

For more information about interest, see PIT-1 instructions, page 34.

### LINES 39 through 42 Overpayment/Refund

If line 23 is less than line 32, you have an overpayment. Subtract line 23 from line 32, and enter the difference on line 39.

If you have penalty or interest due from lines 34, 36, or 37, reduce your overpayment by the sum of the amounts in those lines. If you owe penalty or interest the Department will reduce your overpayment by penalty and interest amounts.

You can handle your overpayment in any or a combination of the following ways:

- You can use it for voluntary fund contributions. To do this, enter the amount on line 40 and attach Schedule D to your PIT-1. For information, see Schedule D, *New Mexico Voluntary Contributions Schedule*.
- You can apply it to your 2016 estimated tax. To do this, enter the amount on line 41.
- You can have the Department refund your overpayment to you. To do this, enter the amount on line 42.

### WHAT TO DO BEFORE YOU MAIL YOUR RETURN

Before you mail your return, follow these steps:

1. Check the figures on your return and on your attachments.
2. On your PIT-1 at the bottom of page 2, sign and date. If you are married and filing a joint return, both spouses must sign.
3. Below your signature, enter your phone number and email address.
4. If you paid someone to prepare your return, make sure your paid preparer signs your return in the **Paid preparer's use only** section. The preparer may sign by hand or any method of electronic signature acceptable to the IRS. The preparer must also fill in the other blanks in this section.

For more information, see PIT-1 instructions, beginning on page 37.

5. If you are mailing a payment with your return, do the following:
  - Complete the PIT-PV payment voucher.
  - Write your social security number and the tax year on your check.
  - Cut the voucher on the dotted line.
  - Mail the payment voucher with your payment.

**IMPORTANT:** Only submit a payment voucher if you submit a payment.

### Submit ONLY High-Quality Printed, Original Vouchers

Payment vouchers are processed through high-speed scanners. Cut the bottom portion of the voucher **ONLY** on the dotted line.

### Where to Mail a Return WITHOUT a Payment

If you are **not** mailing a payment with your return, mail your refund return or other return to:

NM Taxation and Revenue Dept.  
P O Box 25122  
Santa Fe, NM 87504-5122

### Where to Mail a Return WITH a Payment

If you **are** mailing a payment with your return, mail your return, payment and voucher to:

NM Taxation and Revenue Dept.  
P O Box 8390  
Santa Fe, NM 87504-8390

### Filing and Paying Online

You can file your return online at <https://tap.state.nm.us> where you can also pay by electronic check (E-Check) at no charge.

You may also pay online with a Visa, MasterCard, American Express or Discover credit card. A convenience fee of 2.40% is charged to reimburse the state for fees the credit card companies charge the State of New Mexico. The fee is calculated on the amount of

the transaction.

**Filing Checklist**

Complete the *Filing Checklist* on PIT-1 instructions, page 39.

**Assemble Your Return**

Put your PIT-1 and all attachments in the order shown on PIT-1 instructions, page 37. If your return shows tax due, add a payment voucher along with

your check.

**IMPORTANT:** Do not use staples or tape to assemble your return. Submit only original, official state forms.

**FINAL STEPS**

If you are not electronically filing your return, follow these steps:

1. Mail your return and attachments to the address on PIT-1, page 2, or as

noted in this section.

2. Keep a copy of your original return and all attachments.

## You can file your return online and pay through Taxpayer Access Point (TAP) at

<https://tap.state.nm.us>

### Our TAP services let you:

- File online
- Pay with an E-Check or a credit card (Visa, MasterCard, American Express, or Discover Card)
- Manage your New Mexico tax accounts and grant third-party access
- View tax information and letters sent by the state
- Register your business

**TAP also gives you email and phone contacts for tax specialists who can answer your questions.**